

Appendix 4: Exhibits D-1 to D-16

Exhibits D-1 to D-16, whose titles are provided below, have been marked Attorney's Eyes Only.

1. Exhibit D-1: Frontier Group Holdings Annual WACC History as Reported by Bloomberg
2. Exhibit D-2: Cash Flows and Details of NPV Calculation for MSN 9549
3. Exhibit D-3: Cash Flows and Details of NPV Calculation for MSN 10031
4. Exhibit D-4: Cash Flows and Details of NPV Calculation for MSN 10089
5. Exhibit D-5: Cash Flows and Details of NPV Calculation for MSN 10384
6. Exhibit D-6: Cash Flows and Details of NPV Calculation for MSN 10452
7. Exhibit D-7: Summary of Net Present Value Calculation – MSN 9549, Using Frontier WACC
8. Exhibit D-8: Cash Flows and Details of Alternate NPV Calculation for MSN 9549, Using Frontier WACC
9. Exhibit D-9: Summary of Net Present Value Calculation – MSN 10031, Using Frontier WACC
10. Exhibit D-10: Cash Flows and Details of Alternate NPV Calculation for MSN 10031, Using Frontier WACC
11. Exhibit D-11: Summary of Net Present Value Calculation – MSN 10089, Using Frontier WACC
12. Exhibit D-12: Cash Flows and Details of Alternate NPV Calculation for MSN 10089, Using Frontier WACC
13. Exhibit D-13: Summary of Net Present Value Calculation – MSN 10384, Using Frontier WACC
14. Exhibit D-14: Cash Flows and Details of Alternate NPV Calculation for MSN 10384, Using Frontier WACC
15. Exhibit D-15: Summary of Net Present Value Calculation – MSN 10452, Using Frontier WACC
16. Exhibit D-16: Cash Flows and Details of Alternate NPV Calculation for MSN 10452, Using Frontier WACC

Exhibit D-1: Frontier Group Holdings Annual WACC History as Reported by Bloomberg

Frontier Group Holdings Inc (ULCC US) - L#1518025							
WACC History 12 Months Ending		FY 2022 12/31/2022	FY 2021 12/31/2021	FY 2020 12/31/2020	FY 2019 12/31/2019	FY 2016 12/31/2016	FY 2015 12/31/2015
Equity							
Cost of Equity	WACC_COST_EQUITY	10.4282	10.6437	8.5468	8.4018	8.9721	9.4066
Weight of Equity	WACC_WEIGHT_OF_EQUITY	43.3172	50.8333	10.6092	17.7822	65.3001	60.7460
+ Debt							
Cost of Debt	WACC_COST_DEBT	5.5125	1.8701	1.0445	1.9654	1.4833	1.5033
Weight of Debt	WACC_WEIGHT_OF_DEBT	56.6828	49.1667	89.3908	82.2178	34.6999	39.2540
+ Preferred Equity							
Cost of Pref. Equity	WACC_COST_PFD	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Weight of Pref. Equity	WACC_WEIGHT_OF_PREFERRED_EQUITY	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
WACC	WACC	7.6418	6.3300	1.8405	3.1099	6.3735	6.3042
Capital Structure							
+ Historical Market Cap	HISTORICAL_MARKET_CAP	2,237.5854	2,945.5734	—	—	—	—
+ Short Term Debt	BS_ST_BORROW	622.0000	571.0000	517.0000	537.0000	141.0000	103.0000
+ Long Term Debt	BS_LT_BORROW	2,306.0000	2,278.0000	2,095.0000	1,969.0000	96.0000	118.0000
+ Preferred Equity and Hybrid Capital	PFD_EQTY_HYBRID_CAPITAL	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total Capital	WACC_TOTAL_CAPITAL	5,165.5854	5,794.5734	2,922.0000	3,048.0000	683.0000	563.0000
EVA							
+ Net Op. Profit	WACC_NET_OPER_PROFIT	-45.0000	-117.0000	-365.0000	309.0000	317.0000	233.0000
- Cash Op. Taxes	WACC_CASH_OPER_TAXES	-8.0000	-42.0000	-147.0000	70.3569	116.3671	83.7982
+ NOPAT	WACC_NOPAT	-37.0000	-75.0000	-218.0000	238.6431	200.6329	149.2018
Total Invested Capital	WACC_TOTAL_INV_CAPITAL	3,448.0000	3,383.0000	2,928.0000	3,059.0000	689.0000	566.0000
WACC	WACC	7.6418	6.3300	1.8405	3.1099	6.3735	6.3042
- Capital Charge	WACC_CAPITAL_CHARGE	263.4909	214.1430	53.8886	95.1327	43.9132	35.6820
Economic Value Added	WACC_ECON_VALUE_ADDED	-300.4909	-289.1430	-271.8886	143.5104	156.7197	113.5197
ROIC	WACC_RETURN_ON_INV_CAPITAL	-1.0731	-2.2170	-7.4454	7.8013	29.1194	26.3607
EVA Spread	WACC_EVA_SPREAD	-8.7149	-8.5469	-9.2858	4.6914	22.7460	20.0565

Source: Bloomberg.

Exhibit D-2: Cash Flows and Details of NPV Calculation for MSN 9549

Valuation Date: May 8, 2020

Valuation Date: May 8, 2020

A black and white photograph of a large, multi-story building with a complex facade, featuring numerous windows and architectural details. The building is viewed from a low angle, emphasizing its height. The image is framed by a thick black border.

Valuation Date: May 8, 2020

A black and white photograph of a large, multi-story building with a complex facade, featuring numerous windows and architectural details. The building is viewed from a low angle, emphasizing its height. The image is framed by a thick black border.

Valuation Date: May 8, 2020A black and white photograph of a large, multi-story building with a complex facade, featuring many windows and a prominent central section. The building is viewed from a low angle, looking up. The image is framed by a thick black border.

Valuation Date: May 8, 2020

A black and white photograph of a large, multi-story building with a complex facade, featuring numerous windows and a prominent central section. The building is surrounded by trees and greenery, and a road is visible in the foreground.

After-Tax Thousands of Dollars

Country	Year	Population (millions)	Population (millions)	Population (millions)	Population (millions)	Population (millions)
China	1990	1,190	1,190	1,190	1,190	1,190
India	1990	850	850	850	850	850
United States	1990	250	250	250	250	250
Japan	1990	125	125	125	125	125
Germany	1990	80	80	80	80	80
France	1990	60	60	60	60	60
United Kingdom	1990	55	55	55	55	55
Italy	1990	55	55	55	55	55
Spain	1990	45	45	45	45	45
Sweden	1990	8	8	8	8	8
Norway	1990	4	4	4	4	4
Denmark	1990	5	5	5	5	5
Finland	1990	5	5	5	5	5
Switzerland	1990	7	7	7	7	7
Austria	1990	8	8	8	8	8
Netherlands	1990	16	16	16	16	16
Belgium	1990	10	10	10	10	10
Luxembourg	1990	0.5	0.5	0.5	0.5	0.5
Ireland	1990	0.4	0.4	0.4	0.4	0.4
Portugal	1990	10	10	10	10	10
Greece	1990	11	11	11	11	11
Turkey	1990	60	60	60	60	60
Poland	1990	38	38	38	38	38
Czech Republic	1990	12	12	12	12	12
Slovakia	1990	5	5	5	5	5
Hungary	1990	10	10	10	10	10
Romania	1990	23	23	23	23	23
Bulgaria	1990	8	8	8	8	8
Yugoslavia	1990	21	21	21	21	21
Croatia	1990	4	4	4	4	4
Slovenia	1990	2	2	2	2	2
Serbia	1990	7	7	7	7	7
Bosnia and Herzegovina	1990	4	4	4	4	4
Montenegro	1990	1	1	1	1	1
Albania	1990	4	4	4	4	4
Greece	1990	11	11	11	11	11
Turkey	1990	60	60	60	60	60
Iran	1990	60	60	60	60	60
Pakistan	1990	90	90	90	90	90
Bangladesh	1990	110	110	110	110	110
India	1990	850	850	850	850	850
China	1990	1,190	1,190	1,190	1,190	1,190

[1]: "CDB Letter of Intent," FRONTIER0011290 at 291; "2020 Framework Agreement," FRONTIER0002829 at 873. [1][C] = [1][A] - [1][B].

[2]: After-tax NPV of [1]. See Appendix table for details. $[2][D] = [2][A] - [2][B]$.

[3]: Sum of Undiscounted Pre-Tax Rent Payments; See Appendix table for details. [3][C] = [3][A] - [3][B].

[4]: After-tax NPV of [3]. See Appendix table for details. $[4][D] = [4][A] - [4][B]$.

[5]: Calculated based on provisions in lease documents. $[5][C] = [5][A] - [5][B]$.

[6]: After-tax NPV of [5]. See Appendix for details. $[6][D] = [6][A] - [6][B]$.

[7]: Sum of the differences in after-tax NPV figures from rows [1], [3], and [5].

[8]: After-tax risk-free rate, based on cumulative yield on U.S. ten-year treasury bonds since the valuation date.

$$[10] = [7] \times (1 + [8])^{\wedge} [9] - [7].$$
$$[11] = [7] + [10].$$

Totals may not sum due to rounding.

Valuation Date: May 8, 2020

The diagram illustrates a sequence of 12 steps in a process. Each step is represented by a vertical bar with a small square at the top. The bars are arranged in a row, with some bars having additional horizontal lines above them. The diagram is divided into three sections by vertical lines.

Sources and Notes:

[3] = Number of Days between the Valuation Date of May 8, 2020 and [1] divided by the average number of days in a month (365.25/12)

[4]: "2020 Framework Agreement," FRONTIER0002829 at 873. I assume that the purchase price is paid on the delivery date.

[5]: See, Table D-2 at [9][A].

[6]: See, Table D-2 at [10][A],[11][A],[12][A], and accompanying Sources and Notes.

[7] = [4]*(1-Frontier's 2019 Corporate Tax Rate). To obtain this tax rate, I took Frontier's income tax expenses divided by its income before tax expenses. See, Frontier Form 10-K for 2021, at p. 96.

[8] = [5]*(1-Frontier's 2019 Corporate Tax Rate).

[9] = [6]*(1-Frontier's 2019 Corporate Tax Rate).

$$[10] = [7]/(1+\text{Monthly Discount Rate})^{[3]}.$$
$$[11] = [8]/(1+\text{Monthly Discount Rate})^3.$$
$$[12] = [9]/(1 + \text{Monthly Discount Rate})^{[3]}.$$

[13]: "CDB Letter of Intent," FRONTIER0011290 at 291. I assume that the purchase price is paid on the delivery date.

[14]: See, Table D-2 at [9][B], and accompanying Sources and Notes.

[15]: See, Table D-2 at [10][B],[11][B],[12][B], and accompanying Sources and Notes. Security Deposit partial recovery is assumed to occur at the earliest possible date(s).

[16] = [13]*(1-Frontier's 2019 Corporate Tax Rate). To obtain this tax rate, I took Frontier's income tax expenses divided by its income before tax expenses. See, Frontier Form 10-K for 2021, at p. 96.

[17] = [14]*(1-Frontier's 2019 Corporate Tax Rate).

[18] = [15]*(1-Frontier's 2019 Corporate Tax Rate).

$$[19] = [7]/(1 + \text{Monthly Discount Rate})^{[3]}.$$
$$[20] = [8]/(1+\text{Monthly Discount Rate})^{[3]}.$$

[21] = [9]/(1+Monthly Discount Rate)^[3].

Exhibit D-9: Summary of Net Present Value Calculation - MSN 10031, Using Frontier WACC

After-Tax Thousands of Dollars

Country	2010	2011	2012	2013	2014
Algeria	1.0	1.0	1.0	1.0	1.0
Angola	1.0	1.0	1.0	1.0	1.0
Argentina	1.0	1.0	1.0	1.0	1.0
Australia	1.0	1.0	1.0	1.0	1.0
Austria	1.0	1.0	1.0	1.0	1.0
Bahrain	1.0	1.0	1.0	1.0	1.0
Belgium	1.0	1.0	1.0	1.0	1.0
Brazil	1.0	1.0	1.0	1.0	1.0
Canada	1.0	1.0	1.0	1.0	1.0
Chile	1.0	1.0	1.0	1.0	1.0
China	1.0	1.0	1.0	1.0	1.0
Colombia	1.0	1.0	1.0	1.0	1.0
Costa Rica	1.0	1.0	1.0	1.0	1.0
Czechia	1.0	1.0	1.0	1.0	1.0
Denmark	1.0	1.0	1.0	1.0	1.0
Egypt	1.0	1.0	1.0	1.0	1.0
Ecuador	1.0	1.0	1.0	1.0	1.0
El Salvador	1.0	1.0	1.0	1.0	1.0
France	1.0	1.0	1.0	1.0	1.0
Germany	1.0	1.0	1.0	1.0	1.0
Ghana	1.0	1.0	1.0	1.0	1.0
Greece	1.0	1.0	1.0	1.0	1.0
Guatemala	1.0	1.0	1.0	1.0	1.0
Hong Kong	1.0	1.0	1.0	1.0	1.0
Hungary	1.0	1.0	1.0	1.0	1.0
India	1.0	1.0	1.0	1.0	1.0
Indonesia	1.0	1.0	1.0	1.0	1.0
Italy	1.0	1.0	1.0	1.0	1.0
Jamaica	1.0	1.0	1.0	1.0	1.0
Japan	1.0	1.0	1.0	1.0	1.0
Kenya	1.0	1.0	1.0	1.0	1.0
Korea	1.0	1.0	1.0	1.0	1.0
Latvia	1.0	1.0	1.0	1.0	1.0
Lithuania	1.0	1.0	1.0	1.0	1.0
Malaysia	1.0	1.0	1.0	1.0	1.0
Mexico	1.0	1.0	1.0	1.0	1.0
Moldova	1.0	1.0	1.0	1.0	1.0
Morocco	1.0	1.0	1.0	1.0	1.0
Netherlands	1.0	1.0	1.0	1.0	1.0
New Zealand	1.0	1.0	1.0	1.0	1.0
Nigeria	1.0	1.0	1.0	1.0	1.0
Poland	1.0	1.0	1.0	1.0	1.0
Portugal	1.0	1.0	1.0	1.0	1.0
Romania	1.0	1.0	1.0	1.0	1.0
Russia	1.0	1.0	1.0	1.0	1.0
Saudi Arabia	1.0	1.0	1.0	1.0	1.0
South Africa	1.0	1.0	1.0	1.0	1.0
Spain	1.0	1.0	1.0	1.0	1.0
Sweden	1.0	1.0	1.0	1.0	1.0
Switzerland	1.0	1.0	1.0	1.0	1.0
Taiwan	1.0	1.0	1.0	1.0	1.0
Tanzania	1.0	1.0	1.0	1.0	1.0
Thailand	1.0	1.0	1.0	1.0	1.0
Turkey	1.0	1.0	1.0	1.0	1.0
Ukraine	1.0	1.0	1.0	1.0	1.0
United Kingdom	1.0	1.0	1.0	1.0	1.0
United States	1.0	1.0	1.0	1.0	1.0
Vietnam	1.0	1.0	1.0	1.0	1.0
Yemen	1.0	1.0	1.0	1.0	1.0
Zambia	1.0	1.0	1.0	1.0	1.0

Sources and Notes:

[1]: "CDB Letter of Intent," FRONTIER0011290 at 291; "2020 Framework Agreement," FRONTIER0002829 at 873. [1][C] = [1][A] - [1][B].

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[6]: After-tax NPV of [5]. See Appendix for details. $[6][D] = [6][A] - [6][B]$.

[7]: Sum of the differences in after-tax NPV figures from rows [1], [3], and [5].

[8]: After-tax risk-free rate, based on cumulative yield on U.S. ten-year treasury bonds since the valuation date.

$$[10] = [7] \times (1 + [8]) \wedge [9] - [7].$$
$$[11] = [7] + [10].$$

Totals may not sum due to rounding.

Valuation Date: May 8, 2020

A black and white photograph of a large, multi-story building with a complex facade, featuring numerous windows and architectural details. The building is viewed from a low angle, emphasizing its height. The image is framed by a thick black border.

After-Tax Thousands of Dollars

[illegible]

Valuation Date: May 8, 2020

A black and white photograph of a large, multi-story building with a complex facade, featuring numerous windows and architectural details. The building is viewed from a low angle, emphasizing its height. The image is framed by a thick black border.

After-Tax Thousands of Dollars

Case No.	Case Name	Case Address	Case City	Case State	Case Zip
1	1234 Main St	1234 Main St	1234 Main St	1234 Main St	1234 Main St
2	5678 Elm St	5678 Elm St	5678 Elm St	5678 Elm St	5678 Elm St
3	9012 Oak St	9012 Oak St	9012 Oak St	9012 Oak St	9012 Oak St
4	3456 Pine St	3456 Pine St	3456 Pine St	3456 Pine St	3456 Pine St
5	7890 Maple St	7890 Maple St	7890 Maple St	7890 Maple St	7890 Maple St
6	2345 Birch St	2345 Birch St	2345 Birch St	2345 Birch St	2345 Birch St
7	6789 Cedar St	6789 Cedar St	6789 Cedar St	6789 Cedar St	6789 Cedar St
8	1011 Spruce St	1011 Spruce St	1011 Spruce St	1011 Spruce St	1011 Spruce St
9	1314 Fir St	1314 Fir St	1314 Fir St	1314 Fir St	1314 Fir St
10	1617 Willow St	1617 Willow St	1617 Willow St	1617 Willow St	1617 Willow St
11	1920 Ash St	1920 Ash St	1920 Ash St	1920 Ash St	1920 Ash St
12	2223 Hickory St	2223 Hickory St	2223 Hickory St	2223 Hickory St	2223 Hickory St
13	2524 Walnut St	2524 Walnut St	2524 Walnut St	2524 Walnut St	2524 Walnut St
14	2825 Cherry St	2825 Cherry St	2825 Cherry St	2825 Cherry St	2825 Cherry St
15	3126 Peach St	3126 Peach St	3126 Peach St	3126 Peach St	3126 Peach St
16	3427 Plum St	3427 Plum St	3427 Plum St	3427 Plum St	3427 Plum St
17	3728 Apple St	3728 Apple St	3728 Apple St	3728 Apple St	3728 Apple St
18	4029 Orange St	4029 Orange St	4029 Orange St	4029 Orange St	4029 Orange St
19	4330 Lemon St	4330 Lemon St	4330 Lemon St	4330 Lemon St	4330 Lemon St
20	4631 Lime St	4631 Lime St	4631 Lime St	4631 Lime St	4631 Lime St

Valuation Date: May 8, 2020

A black and white photograph of a large, multi-story building with a complex facade, featuring many windows and a prominent central section. The building is surrounded by trees and greenery, and a road is visible in the foreground.

After-Tax Thousands of Dollars

Case No.	Case Name	Case Address	Case City	Case State	Case Zip
1	1234 Main St	1234 Main St	1234 Main St	1234 Main St	1234 Main St
2	5678 Elm St	5678 Elm St	5678 Elm St	5678 Elm St	5678 Elm St
3	9012 Oak St	9012 Oak St	9012 Oak St	9012 Oak St	9012 Oak St
4	3456 Pine St	3456 Pine St	3456 Pine St	3456 Pine St	3456 Pine St
5	7890 Maple St	7890 Maple St	7890 Maple St	7890 Maple St	7890 Maple St
6	2109 Birch St	2109 Birch St	2109 Birch St	2109 Birch St	2109 Birch St
7	6543 Cedar St	6543 Cedar St	6543 Cedar St	6543 Cedar St	6543 Cedar St
8	1098 Spruce St	1098 Spruce St	1098 Spruce St	1098 Spruce St	1098 Spruce St
9	5432 Willow St	5432 Willow St	5432 Willow St	5432 Willow St	5432 Willow St
10	9876 Hickory St	9876 Hickory St	9876 Hickory St	9876 Hickory St	9876 Hickory St
11	4321 Ash St	4321 Ash St	4321 Ash St	4321 Ash St	4321 Ash St
12	8765 Sycamore St	8765 Sycamore St	8765 Sycamore St	8765 Sycamore St	8765 Sycamore St
13	3210 Magnolia St	3210 Magnolia St	3210 Magnolia St	3210 Magnolia St	3210 Magnolia St
14	7654 Dogwood St	7654 Dogwood St	7654 Dogwood St	7654 Dogwood St	7654 Dogwood St
15	2109 Redwood St	2109 Redwood St	2109 Redwood St	2109 Redwood St	2109 Redwood St
16	6543 Cypress St	6543 Cypress St	6543 Cypress St	6543 Cypress St	6543 Cypress St
17	1098 Juniper St	1098 Juniper St	1098 Juniper St	1098 Juniper St	1098 Juniper St
18	5432 Fir St	5432 Fir St	5432 Fir St	5432 Fir St	5432 Fir St
19	9876 Palm St	9876 Palm St	9876 Palm St	9876 Palm St	9876 Palm St
20	4321 Bamboo St	4321 Bamboo St	4321 Bamboo St	4321 Bamboo St	4321 Bamboo St

Valuation Date: May 8, 2020

